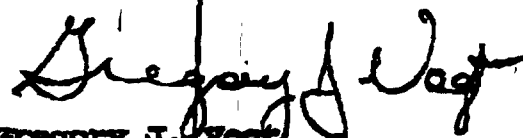


*to be supposed
out*

b. Determine what effect the differences between SCIS and SCM have on the four BSE rates studied in the Andersen report.⁵ If the requested comparison cannot be developed because of differences between the two models, explain in detail why not.

The Bureau staff is continuing to review the record in this docket, and further supplemental queries may be forthcoming. Any questions on the requested supplementation should be directed to Stan Wiggins (202/632-6917) or Tom Quail (202/632-5550).

Sincerely,



Gregory J. Vest
Chief, Tariff Division
Common Carrier Bureau

⁵ Again, if these BSEs were not studied by US West using SCM, select the two substitutes with the highest projected demand.

Nov. 24, 1992

BY FACSIMILE TRANSMISSION TO: BOCS, BALISORE, ARTHUR ANDERSEN

FM: FCC Tariff Division
(Brown/Gualle/Spath)

RE: Supplemental requests to Arthur Andersen

On November 18, 1992, representatives of Balisore, Arthur Andersen, US West, the BOCS using SCIS, and the Tariff Division participated in a conference call regarding Arthur Andersen's verification of SCIS and additional questions which have arisen, both from staff review of the OWA tariff filings and from intervenors' comments on the carriers' direct cases. Below we briefly discuss the status of supplemental questions the Tariff Division is requesting that Arthur Andersen answer.

Category I: Verification of Andersen review

We agreed that, if Arthur Andersen does item I.P., "Verify the model office equation validation by comparing the total engineering cost with the estimated total cost," then the other items listed in Category I logically follow. Arthur Andersen agreed to explain why this is so, provide more detail on how it performed item I.P., and perform item I.H. for the four BSBs studies in the Arthur Andersen report.

Category II: Additional Andersen review

A. Arthur Andersen should examine Balisore's use of the "user-defined study," and provide explanations as specified in items II.A.1. and II.A.2. of the fax sent to parties prior to the conference call of November 18.

B. Late yesterday afternoon, NYNEX filed an erratum to its OWA reply which provides more information regarding item II.B. We believe that Arthur Andersen should review and verify that the statements in NYNEX's erratum are correct.

C. Miscellaneous concerns

1. With respect to item II.C.1. of the November 18 fax, Arthur Andersen is to provide more detail on the work they did for its report.

2. Arthur Andersen is to provide a detailed explanation as to why the traffic studies discussed in NYNEX's Opposition are not relevant to SCIS outputs.

3. Arthur Andersen is to recalculate the results of Appendix 27 of its report excluding Bell Atlantic, which provided only a one year view rather than a three year view.

4. Each BOC is to compare the switch replacement projections used in the model with their switch replacement projections made in the depreciation reports filed with the Accounting and Audits Division at the time each BOC conducted its SCIS studies. Arthur Andersen is to review the comparisons made by each BOC.

5. The Tariff Division agrees that item II.C.5. is duplicative of item II.C.3., and therefore no additional work is required for this item.

6. Arthur Andersen is to provide a detailed explanation as to why the results of its examination of SCIS and sensitivity analyses cannot be displayed in one graph.

7. With respect to item II.C.7. of the November 18 fax, Arthur Andersen is to examine the effects of the SCM sensitivity function and provide quantitative examples.

Arthur Andersen estimates that it will be able to perform these tasks by December 23, 1992.

Nov. 24, 1992

BY FACSIMILE TRANSMISSION TO: BGS, BELLORS, ARTHUR ANDERSEN

FM: FCC Tariff Division
(Brown/Higgins/Quella/Sparick)

RE: Additional Requests to Arthur Andersen Discussed During Today's
Conference Call

Below are the five additional requests to Arthur Andersen we discussed during the conference call of the afternoon of Tuesday, November 24, 1992.

1. Explain the relation of the separate spreadsheet assembly used by US West for AMI/rate development (Sprint contention), and the effect of this procedure on the SCIS and/or SCM sensitivity analysis performed on the AMI BGS.
2. As Hoe's consultant contends that SCIS programs often ceased to operate after several sensitivity studies, and characterize as "arbitrary" the computer used by Bellcore to provide answers. Describe equipment used by Andersen and operating experience with unrelated software, including incidence of crashes for both SCIS and SCM.
3. Andersen report states that SCM software did not originally recognize vendor changes for SSS switch. Describe these and any other vendor changes not reflected in the SCM version used to develop rates, and quantify the effect on costs for the four BGSs upon which sensitivity analysis was performed. Confirm whether the analysis results in the report were developed from SCM as used by US West for original rate development, or as adjusted to recognize vendor changes.
4. Andersen report describes the significant effect of different SCIS and SCM internal processes upon SSS equipment with multiple capabilities (a two-fold difference in investment, depending on which software is used).
5. The report states that other significant divergences between the models are described elsewhere in the report "as noted." Prepare a list of such references and explain the scope of any other differences that may not be encompassed by the Andersen review.
6. Prepare a comparative cost (direct investment) markup, based on specified standard Federal and methodological assumptions, for the four BGSs on which sensitivity analysis was performed, to show the separate and/or cumulative effects of the significant divergences identified between SCIS and SCM. (Again, if these BGSs were not studied by US West using SCM, select most ubiquitous substitutions.)

¹ If the BGSs examined were developed using SCIS software, select the two most ubiquitous BGSs for which US West utilized SCM and deliberate the question.



FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

James F. Britt
Bell Communications Research
290 West Mount Pleasant Avenue
Livingston, N.J. 07039

Dear Mr. Britt:

A. BOC Revisions to ONA Filings. In order to establish a better record on which to resolve the issues raised in the pending Open Network Architecture (ONA) tariff investigation (CC Docket No. 92-91), we hereby direct Bell Communications Research (Bellcore) to ask each Bell Operating Company (BOC) to submit the following information to the Commission and to Arthur Andersen and Co. (Andersen) on or before December 23, 1992:

1. Subsequent to the BOC's first series of ONA tariff filing, made on or before November 1, 1991, have you found it necessary or appropriate to revise your ONA ratemaking methodology, or any of the data on which their ONA rates are based? For example, have you made revisions to reflect any of the following:

- * Methodological revisions suggested by Andersen in the course of its independent review of SCIS and SCM;
- * Corrections to model office studies;
- * Any other revisions or corrections discovered by your company through internal review.

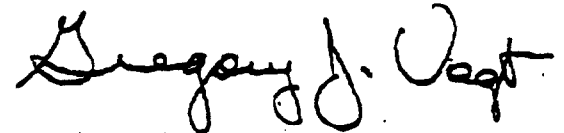
If you have made any revisions for these or for any other reason, please submit the revised data, and explain why the revision or revisions were necessary.

2. The information displayed in Appendices 21 through 24 of the Arthur Andersen report show wide disparity among companies (e.g., the section "Differences Due to Data Assumptions"). Please review Appendices 21 through 24, and make any corrections or revisions they deem appropriate. Please submit any revised information, and explain the reasons for the revisions.

B. Arthur Andersen Sensitivity Analyses. We also direct Bellcore to request that Arthur Andersen perform the nine rate sensitivity analyses specified in the attached Chart, in order to compare the data provided thus far by the BOCs with the revised data submitted to Arthur Andersen by the BOCs in section (A) above.

Arthur Andersen should complete this analysis and submit it to the Commission on or before January 15, 1993. Any questions on this data request should be directed to Stan Wiggins at (202) 632-6917, or Tom Quile at (202) 632-5550.

Sincerely,



Gregory J. Vogt
Chief, Tariff Division
Common Carrier Bureau

Attachment

REQUEST FOR BSE RATES UNDER VARIOUS DATA ASSUMPTIONS

DATA RUNS	BOC DATA CORRECTIONS	LATEST BOC VERSION	COST OF MONEY 11.50%	AVERAGE MARGINAL STUDY	PROSPECTIVE/EMBEDDED SWITCH MAX
RUN # 1 (Pole 2)	AS FILED	AS FILED	AS FILED	AS FILED	AS FILED
RUN # 2 (Pole 2)	VALUE	AS FILED	AS FILED	AS FILED	AS FILED
RUN # 3 (Pole 2)	YES	AS FILED	AS FILED	AS FILED	AS FILED
RUN # 4 (Pole 2)	YES	YES	YES	AS FILED	PROSPECTIVE
RUN # 5 (Pole 2)	YES	YES	YES	AS FILED	EMBEDDED
RUN # 6 (Pole 2)	YES	YES	YES	AVERAGE	PROSPECTIVE
RUN # 7 (Pole 2)	YES	YES	YES	MARGINAL	PROSPECTIVE
RUN # 8 (Pole 2)	YES	YES	YES	AVERAGE	AS FILED
RUN # 9 (Pole 2)	YES	YES	YES	EMBEDDED	AS FILED

NOTES: 1. The BSEs on which sensitivity analyses were performed are (1) Calling Calling Number Delivery (ANV), (2) Make Busy Key, (3) Multiple Hunt group and (4) Multiple Hunt Group - Unknown Call Distribution, Line Hunting.

2. Each data run was included, for each BOC, the rates for the four BOCs on which sensitivity analyses were performed.

* VALUE: use the average values given in the Anderson Report, Appendices 21 through 24.

12/22/92

U S WEST Communications, Inc.
1801 California Street, Suite 4730
Denver, Colorado 80202
303 896-0250
Facsimile 303 896-9994
Facsimile 303 896-6378

Robert B. McKenna
Senior Counsel
Federal Regulations

USWEST
COMMUNICATIONS 

CONFIDENTIAL

Certain materials contained in this transmittal are filed under 47 C.F.R. 0.457(d) and 0.459(a) and (b) of the Commission's Rules for confidential treatment.

December 22, 1992

Mr. Tom Quaile
Tariff Review Branch
Federal Communications Commission
1919 M Street, N.W., Room 518
Washington, D.C. 20554

Re: Data Request From Common Carrier Bureau Staff

Dear Mr. Quaile:

Pursuant to a data request from Gregory J. Vogt, Chief of the Tariff Division, Common Carrier Bureau, to James F. Britt of Bell Communications Research, U S WEST Communications ("USWC") hereby files with the Commission the Switching Cost Model ("SCM") 1991 SCM CORE Program (diskettes), SCM CORE Company Input and Output Files (diskettes), SCM FEATURES with the four requested BSEs (diskettes), SCM FEATURES Company Input Files (diskettes), and SCM FEATURES Documentation and Cost Support Material for the four requested BSEs. The information reflects inclusion by USWC of all BSEs in the SCM market. This information is also being sent to Arthur Andersen and Co.

USWC asserts that the above data is USWC proprietary information. The information also constitutes a trade secret of USWC. What is more, the information is submitted voluntarily by USWC. USWC submits that the information is also derived from complex cost studies using our expert judgment, including forecasting and financial assumptions. Disclosure will thus render competitive harm to USWC because our competitors could then estimate our cost floor and profit margin to strategically price their products and services against ours. Competitors would also be able to discern just how long USWC intends to keep its investment types in service. USWC has also received the vendor-

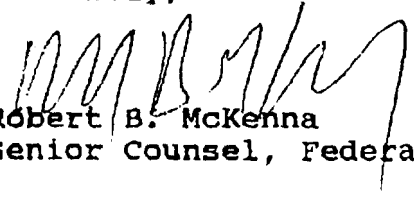
Confidential
Mr. Tom Quaille
December 22, 1992
Page 2

specific information from the switch vendors¹ under a pledge of confidentiality, as this information is the vendor's property. It follows that the data is protectible under the Commission's own rules, Exemption 4 of the Freedom of Information Act and relevant case law.²

Should it be determined by the Staff that any information is not entitled to protection from disclosure under the Freedom of Information Act and applicable Commission rules, please return such information to us immediately.

Acknowledgment and date of receipt of this filing are requested. A duplicate letter is attached for this purpose. Please feel free to contact me should you have any additional questions.

Sincerely,



Robert B. McKenna
Senior Counsel, Federal Relations

Attachments

cc: Arthur Andersen and Co.

¹AT&T, Northern Telecom and Ericsson.

²See 5 U.S.C. Section 552(b)(4). See also National Parks & Conservation Association v. Morton, 498 F.2d 765 (D.C. Cir. 1974); National Parks and Conservation Association v. Kleppe, 547 F.2d 673 (D.C. Cir. 1976).

US WEST, Inc.
Suite 700
1020 Nineteenth Street, NW
Washington, DC 20036
202 429-3106
FAX 202 293-0561



Janis A. Stahlhut
Director-Federal Relations

January 15, 1993

Mr. Tom Quaile
Tariff Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW, Room 518, SC-1600C
Washington, DC 20554

Re: CC Docket No. 92-91, Informal Data Request

TOM
Dear Mr. Quaile:

On December 22, 1992, U S WEST Communications (USWC) submitted materials pursuant to a data request from Mr. Gregory J. Vogt, Chief of the Tariff Division, Common Carrier Bureau to Mr. James F. Britt of Bell Communications Research. The materials submitted reflected updates and revisions made to USWC's BSE costs and the Switching Cost Model (SCM) since the initial tariff filing on November 1, 1991 (Transmittal No. 206). These revisions included:

USWC's inclusion of all BSEs in the SCM model. In Transmittal No. 206, certain BSEs were supported with cost models other than SCM. Since that time, USWC has moved all BSEs into the SCM model.

The SCM FEATURES model has been upgraded to run on an EXCEL platform. Programming changes have been made to speed execution and improve file layout. These changes have no impact on the output of the model.

The updated model information submitted on December 22 reflects a new base period. The new data uses a forward looking assumption of 100% digital technology.

The revisions reflecting new data and inclusion of all BSEs in the SCM model are consistent with comments made throughout this proceeding by the intervenors.

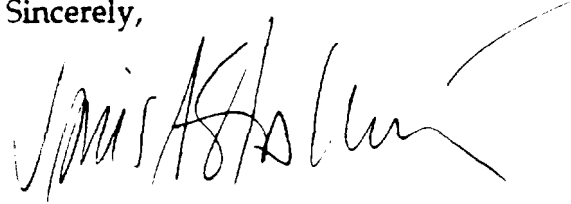
The intent of USWC's December 22 filing was to comply with Mr. Vogt's data request which asked BOCs what revisions and corrections had been made

Mr. Tom Quaile
January 15, 1993
Page 2

since the initial November 1, 1991 tariff filing. The materials were also submitted to Arthur Andersen for their further sensitivity analysis. At this time, USWC has not sought to update the support material or rates contained in Transmittal No. 206 since the information now populating the model is based on a different base period. The updated model and information will be used in USWC's 1993 Annual Filing. A rerun of the per unit installed investment for all BSEs is attached for your use in reviewing the revisions submitted on December 22.

Acknowledgment and date of receipt of this letter are requested. A duplicate letter is attached for this purpose.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Stalman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Attachment

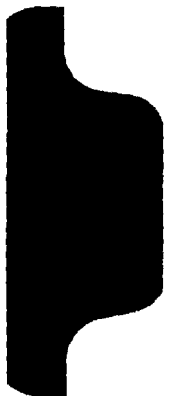
cc: Ms. Mary Brown
Mr. Greg Vogt
Mr. Stan Wiggins

01/15/93

1993 Annual Filing

Element	Description	Per Unit installed Investment
MULTILINE HUNT		
W	HUNT GROUP ARR PER LN BSE	\$ 1.45
<i>1993 study updated technology weightings, SCM core investments, switch generic information (processor milliseconds).</i>		
UCD		
AD	UCD ARR PER LINE BSE	\$ 18.37
(new)	QUEUING FOR USE WITH UCD (PER LINE)	\$ 284.31
AC	- Per queue slot in group - REC	NA Digital Technology
	DELAY ANNOUNCEMENT	
	STANDARDIZED ANNOUNCEMENT	
Y	- Per announcement - REC	\$2941.44
AW	- Per queue slot in group - REC	NA Digital Technology
<i>1993 study updated to 100% digital using SCM. (1992 study used SCIS.)</i>		
ANI		
J	ANI PER ATTEMPT CST1,2,3 BSE	\$.000287
<i>1993 study updated technology weightings, SCM core investments, switch generic information (processor milliseconds).</i>		
DID TRK TERM: REC AND NRC		
H	CDND PER TRK TRM DID BSE	\$ 22.72
<i>1993 study used the CDND feature modeled in SCM. The 1992 study used DID Trunkside Termination as a surrogate feature for CDND in SCM (which included digital trunk investment not required by CDND).</i>		
MAKE BUSY		
R	-Per line and/or group - REC	\$ 25.84
<i>1993 study updated to SCM,. (1992 SCIS study assumed no CO investment in DMS switches.)</i>		
MESSAGE DELIVERY SERVICE		
AT	- CALL DATA I/O CENTRAL OFFICE FACILITY, ea - REC	\$ 858.15
AU	- MDS ARRANGEMENT PER I/O C.O. FACILITY - REC	\$ 28.87
AV	- CALL DATA, PER LINE - REC	\$.12
<i>1993 study updated to 100% digital using SCM. (1992 study used SCIS.)</i>		
THREE WAY CALLING		
AM	-PER LINE - REC	\$ 3.83
<i>1993 study updated technology weightings, SCM core investments, switch generic information (processor milliseconds),and traffic data analysis for updated SCM inputs..</i>		

AL	CALL TRANSFER	
	- PER LINE - REC	\$ 15.68
	<i>1993 study updated technology weightings, SCM core investments, switch generic information (processor milliseconds), and traffic data analysis for updated SCM inputs..</i>	
BB	CALLER IDENTIFICATION - BULK (BCLID)	
AP	- CALL DATA VO CENTRAL OFFICE FACILITY, EA - REC	\$858.15
	- PER MULTILINE HUNT GROUP TERMINATING IN CALL	\$1316.49
	DATA VO CENTRAL OFFICE FACILITY - REC	
AQ	- PER CALL RECORD TRANSMITTED, PER MESSAGE - REC	NA Digital Technology
	<i>1993 study updated to 100% digital using SCM (1992 study used analog and SCIS.)</i>	
AS	CALLER IDENTIFICATION - NUMBER (ICLID)	
	- PER LINE (NUMBER ONLY) - REC	\$ 2.51
	<i>1993 study updated technology weightings, SCM core investments, switch generic information (processor milliseconds), and traffic data analysis for updated SCM inputs..</i>	
AR	CALL FORWARDING VARIABLE	
	- PER LINE - REC	\$ 6.47
	<i>1993 study updated technology weightings, SCM core investments, switch generic information (processor milliseconds), and traffic data analysis for updated SCM inputs..</i>	
B	ANSWER SUPERVISION LINESIDE	
	-PER LINE - REC	\$ 35.86
	<i>No significant change in methodology.</i>	
M	DID TRUNK QUEUING	
	- PER DID NUMBER EQUIPPED- REC	\$ 34.93
AX	- PER QUEUE SLOT IN GROUP - REC	NA Digital Technology
	- DELAY ANNOUNCEMENT	
	STANDARDIZED ANNOUNCEMENT	
AY	- Per announcement - REC	\$2841.44
AZ	- Per queue slot in group - REC	NA Digital Technology
	<i>1993 study updated to 100% digital using SCM. (1992 study used SCIS.)</i>	



Vanetta Hunt 1/25 1994

CONFIDENTIAL RECEIVED

U S WEST, Inc.
1801 California Street, Suite 4730
Denver, Colorado 80202
303-672-2861

JAN 26 7 18 PM '94 **USWEST**
DIVISION

Facsimile 303-295-7060

Robert B. McKenna
Corporate Counsel

January 26, 1994

Greg Vogt
Chief, Tariff Division
Federal Communications Commission
Room 518
1919 M Street, N.W.
Washington, DC 20554

RE: CC Docket 92-91 - Open Network Architecture Tariffs

Dear Mr. Vogt:

Attached hereto is the U S WEST Switching Cost Model for Open Network Architecture Services -- both the core functions and features. This model is proprietary to U S WEST, and is treated as a trade secret. Both aspects of the model contain proprietary switch vendor pricing and other competitively sensitive information. Release of the model or the vendor data to anyone outside the limited personnel within your office with a need to see the information would cause U S WEST and the affected switch manufacturers serious competitive harm.

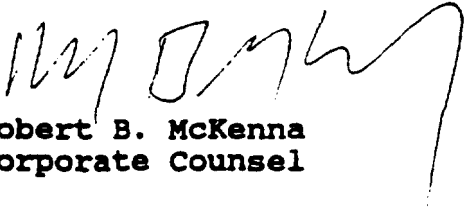
This information is submitted pursuant to the terms of Paragraph 63 of the FCC's December 15, 1993 Order on ONA tariffs. All of the findings concerning the confidentiality of the model made in the Order (§§ 8-10) are applicable to the attached materials. The materials are submitted to you alone and are not submitted as part of the U S WEST ONA tariff filing of today.

¹FCC 93-532, Released December 15, 1993.

Accordingly, we request that you treat this material as extremely sensitive and confidential. Should there be any request to distribute it beyond the personnel who had access to the original SCM model, please notify the undersigned immediately.

Sincerely,

U S WEST Communications, Inc.



Robert B. McKenna
Corporate Counsel